

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish  
Policies and Cost Recovery Mechanisms for  
Generation Procurement and Renewable  
Resource Development.

Rulemaking 01-10-024

**ADMINISTRATIVE LAW JUDGE'S RULING  
REOPENING RECORD FOR PG&E FILING AND COMMENTS**

This ruling reopens the record for the purpose of having Pacific Gas and Electric Company (PG&E) submit a corrected low case residual net short (RNS) procurement scenario by September 3, 2002. This filing shall include a narrative description of all key underlying assumptions and shall be filed in both a redacted and unredacted version; the filing is preliminarily identified as Exhibits 141 and 142C. All interested parties are provided an opportunity to comment on PG&E's filing by September 11, 2002.

In reviewing the record in this proceeding, Commission staff have discovered that PG&E did not submit the proper procurement scenarios in its testimony and, consequently, its low case RNS calculation contained in Exhibit 48C, Table S-2, is incorrect. On April 10, 2002, the undersigned administrative law judge issued a ruling (April 10 Ruling) that directed the respondent utilities to serve in their April 29, 2002 testimony specific procurement scenarios as follows:

“Each utility shall:

- Present a base case procurement strategy, as well as a range of other procurement scenarios necessary to account for changes in market conditions, such as variations in hydro conditions (use the applicable standard wet, dry and normal scenarios) and variations in gas prices. (Show gas price forecasts in detail.) Each utility shall explain the assumptions underlying the development of the procurement scenarios.

In its subsequent testimony, PG&E submitted only a dry year hydro case, and did not model available power from qualifying facilities (QFs) based on variations in gas prices. PG&E also did not comply with the May 15 ruling requiring updated forecasts on an **hourly** basis of its projected net short requirements in 2003. Further, PG&E did not present a low load forecast for its low case RNS scenario, unlike Southern California Edison Company and San Diego Gas & Electric Company. These deficiencies could have a substantial impact on the low case RNS calculation and the usefulness of the data.

Therefore, **IT IS RULED** that:

1. Pacific Gas and Electric Company (PG&E) shall file on September 3, 2002, in both redacted and unredacted versions, a procurement scenario that reflects:
  - a. a standard wet year hydro condition;
  - b. a high amount of QF resources available; and
  - c. a low load forecast.
2. Based on the low-case scenario, PG&E shall present in spreadsheet format a restatement of its Residual Net Short position above on an hourly basis (hours shall not be rolled up into blocks).

3. All key underlying assumptions shall be identified and discussed in a narrative format.

4. Interested parties may file comments by September 11, 2002.

Dated August 27, 2002, at San Francisco, California.

/s/ CHRISTINE M. WALWYN

Christine M. Walwyn  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Reopening Record for PG&E Filing and Comments on all parties of record in this proceeding or their attorneys of record. In addition, service was also performed by electronic mail.

Dated August 27, 2002, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.